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## **OLR Bill Analysis**

**sHB 5228**

### ***AN ACT CONCERNING THE PURCHASE OF CERTAIN LANDS AT AGRICULTURAL VALUE.***

#### **SUMMARY**

This bill revises the state's farmland preservation programs (see BACKGROUND) primarily to allow certain municipalities and nonprofit organizations to acquire an option to purchase restricted agricultural land (i.e., land for which the state has acquired the development rights) at its agricultural use value (i.e., the appraised fair market value of restricted agricultural land). To be eligible for an option to purchase at agricultural value (OPAV), the municipality or nonprofit must be authorized to hold land for conservation or preservation purposes and must acquire the OPAV at its own expense.

Under the bill, an "OPAV" is a preemptive, perpetual option for the municipality or nonprofit to purchase restricted agricultural land at its agricultural use value (rather than the usually higher fair market value). The bill allows the state's restriction (i.e., encumbrance on the restricted land's development uses) to include a provision that allows the municipality or nonprofit to acquire an OPAV at its own expense.

Once an OPAV is executed, the bill allows for it to be recorded on the land records that include the state's land restriction. Under the bill, an OPAV exists in perpetuity, runs with the land, and binds future owners of the land. The bill specifies that a municipality or nonprofit that acquires an OPAV is solely responsible for enforcing it at its own expense.

The bill also allows the agriculture commissioner to set up and administer a grant program for eligible municipalities and nonprofits to acquire options to purchase restricted agricultural land at agricultural use value.

Additionally, when there is a joint ownership agreement between the state and a nonprofit, the bill allows the agreement to provide for reimbursement of reasonable expenses incurred in acquiring the development rights.

Lastly, the bill makes minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2024

## **BACKGROUND**

### ***Farmland Preservation Programs***

The law allows the state, through the Department of Agriculture, to preserve agricultural land by acquiring the development rights to the land so that it remains available only for agricultural use in perpetuity. The department operates two programs for this purpose: the Farmland Preservation Program (generally for farms of more than 30 acres) and the Community Farmland Preservation Program (generally for farms that do not meet the criteria for the Farmland Preservation Program).

When the state acquires the development rights to agricultural land, a permanent restriction on non-agricultural uses is placed on the land's deed, but the farms remain in private ownership. The law also allows the state and a municipality in which the land is located or a nonprofit organization to jointly own development rights to agricultural land.

## **COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 34 Nay 0 (03/20/2024)